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## Peru

**Post:** Lima

### **FAS and FCS Lima Create Export Opportunities for Alabama Trade Mission**

**Report Categories:**

Export Accomplishments - Other

Export Accomplishments - Trade Leads

Sales Mission Evaluation

Wood Products

**Approved By:**

Mariano J. Beillard

**Prepared By:**

Miluska Camacho and Mariano J. Beillard

**Report Highlights:**

FAS Lima assisted the Foreign Commercial Service with its Alabama Commercial Trade Mission, creating export opportunities for U.S. forest product exporters. Sources estimate that Peru will import about \$290 million in forest products in calendar year (CY) 2014, up by 10 percent from the previous year. At FAS Lima, we find that the local construction sector's demand for forest products has doubled during the past five years; driven by the country's continued strong economic performance which has seen real GDP growth averaging 5.5 percent [2009-13]. Peru is keen to purchase U.S. southern yellow pine and plywood.

**Executive Summary:**

FAS Lima recently assisted the Foreign Commercial Service (FCS) with its Alabama Commercial Trade Mission, creating export opportunities for U.S. forest product exporters. FAS scheduled for trade mission participants a series of meetings with major Peruvian importers and distributors of wood products. U.S. exports of forest products to Peru reached almost \$17 million in calendar year CY 2013; CY 2014 (Jan-April) exports at \$6 million are now up over 100 percent compared to the same period last year.

## General Information:

Sources estimate that Peru will import about \$290 million in forest products in calendar year (CY) 2014, up by 10 percent from the previous year. At FAS Lima, we find that the local construction sector's demand for forest products has doubled during the past five years; driven by the country's continued strong economic performance which has seen real GDP growth averaging 5.5 percent [2009-13].

**Table 1: Peru, Global Forest Products Imports (2008-13)**

	2008	2009	2010	2011	2012	2013*
Value (\$ million)	150	113	157	193	264	290

Note: (\*) estimate.

Source: FAS Lima office research.

**Table 2: Peru, Top Ten Forest Product Imports by HS Code**

HS Code	Description
4410.19	Wafer board and similar board of wood
4407.10	Coniferous wood sawn, sliced etc., over 6 mm thick (i.e., southern yellow pine)
4403.10	Wood in the rough, treated paint etc.
4410.11	Particle board of wood
4411.14	Medium density fiberboard of a thickness 9 mm
4411.13	Medium density fiberboard thickness Gt 5Mm Lt=9mm
4411.12	Medium Density Fiberboard, Of A Thickness Lt=5mm
4411.92	Fiberboard, Of A Density Exceeding 0.8 gram/cm <sup>3</sup> , NESOI
9406.00	Prefabricated Buildings
4421.90	Articles Of Wood, NESOI

Note: HS = Harmonized Tariff System.

Source: FAS Lima office research, Global Trade Atlas.

FAS Lima finds that Peruvian demand for U.S. forest products has grown with a compound annual growth rate (CAGR) of 14 percent [2009-13]. Demand during the period has fluctuated mainly due to pricing rather than quality concerns. Exports of U.S.-origin forest products (primarily southern yellow pine) reached a record \$17 million in CY 2013; the highest export level since at least CY 1970.

Chile, with some \$31.5 million in exports, remains U.S.-origin forest products' strongest competitor in the Peruvian market. U.S. southern yellow pine however competes well with Chilean product. While the latter limits its exports to 12-foot long boards, U.S. producers are supplying the 12- to 18-foot long boards that are more suited to the Peruvian market. In CY 2013, exports of U.S.-origin forest products to Peru surpassed 6,567 cubic meters.

**Table 3: Peru, Southern Yellow Pine Imports by Origin (\$ Millions)**

Partner Country	2008	2009	2010	2011	2012	2013
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World	16.2	13.3	23	26.8	28.6	34.1
Chile	14.7	12.2	20.4	23.9	24.7	31.3
United States	1.3	0.8	1	1.4	1.8	1.9
Uruguay	0	0	0	0.2	0.8	0.6
Canada	0.2	0.2	1.3	1.04	1.2	0.15
Belgium	0	0	0	0	0	0.04
Ecuador	0	0	0	0	0.02	0.04
Argentina	0	0	0.3	0.05	0.05	0.02
Germany	0	0	0	0.01	0.01	0.003

Source: SUNAT (Peru Customs).

### Exporter Assistance:

Working with the U.S. Department of Commerce - Foreign Commercial Service (FCS), FAS Lima assisted with the June 2-5, 2014, state of Alabama trade mission to Peru. FAS Lima briefed trade mission participants on Peru's economic conditions and market possibilities, as well as organized introductory meetings for mission participants with key forest products importers. Peruvians are keen to purchase U.S. southern yellow pine and plywood; we estimate new sales exceeding \$200,000 over the next 12-month period for one trade mission participant alone.

**Table 4: Peru, Major Forest Products Importers**

	COMPANY	Web Site
1	MADERERA ANDINA*	<a href="http://www.cmaperu.com/">http://www.cmaperu.com/</a>
2	REPRESENTACIONES MARTIN*	<a href="http://www.martin.com.pe/">http://www.martin.com.pe/</a>
3	LA CASA DEL PINO*	N/A
4	DINFOR*	N/A
5	PROMART-HOME CENTERS PERUANOS	<a href="http://www.promart.pe/">http://www.promart.pe/</a>
6	HARSCO	<a href="http://www.harsco-i.pe/">http://www.harsco-i.pe/</a>
7	DOKA	<a href="http://www.doka.com/web/home/index.la.php?startPageLanguage=PE">http://www.doka.com/web/home/index.la.php?startPageLanguage=PE</a>
8	MADEMOLD	<a href="http://www.mademold.com/quienes-somos">http://www.mademold.com/quienes-somos</a>
9	ARKEMAS	N/A
10	MADERERA BZOVICH SAC	N/A

Note: (\*) Companies handling 100 plus containers per month.

Source: FAS Lima office research.